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17 July 1974

MEMORANDUM FOR: Deputy to the DCI for the Intelligence
Community

SUBJECT : Bidders on CPA RFP

1. Regarding bidders on the prospective RFP for the Center for Policy Analysis, I have had conversations with the representatives of two FCRC's. In addition to their interest regarding what was being attempted, there was some discussion of the make-up of the bidder's list. It was observed that if the list were made up of both competitive and non-profit organizations that the non-profits -- or at least the FCRC's -- might be inhibited in responding.

2. Part of this inhibition rises, I believe, from the policy of some of the FCRC's regarding competitive bidding and part on their sometimes uncompetitive man-year costs. In any event, I believe it is true that when profit makers are in competition with and lose to FCRC's they complain that they are subsidizing (through tax money) their competitors.

3. I am calling this point to your attention because I understand that process of developing the bidder's list is going on and that it is to be a mixed list. Perhaps if the problem that I describe is both real and important there is a way of developing the competition so that neither the profit makers nor the FCRC's are inhibited. I think it is in the interest of the intelligence community that both types of organizations be encouraged to respond.

Special Assistant to
the Director

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